

NATIONAL CREDIT UNION ADMINISTRATION

Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund

General Guidelines for Technical Assistance for Credit Unions

Student Internship and Job Creation Initiative -2011
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Closes: December 31, 2011 or when funds are exhausted.

Eligible credit unions may apply for up to \$5,000

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund
1775 Duke Street
Alexandria, Virginia 22314*

General Guidelines for Technical Assistance for Credit Unions

Student Internship and Job Creation Initiative-2011

1. What is the Purpose of the Community Development Revolving Loan Fund?

The National Credit Union Administration's (NCUA's) Community Development Revolving Loan Fund (CDRLF) was established by Congress to support credit unions that serve low-income communities by making loans and TAGs available to qualifying institutions. Low-interest loans/deposits are made available to low-income designated credit unions to enhance their financial capacity to, in turn, extend financial services to their members.

Congress appropriates funds to the CDRLF for loans and/or grants. The interest earned on loans is also available as a source of additional funds retained by the program for grant purposes.

2. What is the objective of Technical Assistance Grants?

The objective, or desired outcome, of technical assistance grants is to help low-income credit unions provide financial services to their members and to make the operations of those credit unions more efficient.

3. Which credit unions are eligible to apply?

To participate in the Program, a federally chartered credit union must be currently designated as a "low-income" credit union as set forth in NCUA's Rules and Regulations, Section 701.34. A state chartered credit union must have the equivalent low-income designation from its respective state supervisory authority (SSA) and concurrence from NCUA.

In addition, based on an Office of Management and Budget (OMB) policy directive effective October 31, 2003, credit unions must have a Dun and Bradstreet Universal Numbering System (DUNS) number in order to be eligible to receive grant or loan funding from the CDRLF. As of this printing, a DUNS number may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.

4. What is the Student Internship and Job Creation Initiative?

The Student Internship and Job Creation Initiative serves a dual purpose. The Student Internship portion of the technical assistance provides low-income designated credit unions an opportunity to introduce college students to credit unions and credit union operations. The Job Creation portion of the initiative allows low-income credit unions to provide training to individuals who are unemployed or underemployed in order to help them prepare for transition into the workforce.

STUDENT INTERNSHIP

Having a student intern allows credit unions to expose college student to the operations and management of credit unions. This grant initiative provides credit unions an opportunity to expose college students to credit union operations, in order to potentially recruit and develop the next generation of credit union management.

This Initiative helps credit unions introduce college students to the credit union philosophy through on-the-job training. This Initiative also encourages collaboration between credit unions, fosters mentoring, and develops human capital for the long-term safety, soundness, and sustainability of the credit union system.

Which students are eligible to participate?

To participate in the program, the student must be attending a college or university and be enrolled at least part-time. The student's course of study should focus on accounting, information systems, marketing, business, finance, or other related area.

Does the credit union need a partner?

The low-income credit union applicant may elect to identify and work with a partner credit union. In this case, both credit unions should provide hands-on experience for the intern in various areas of credit union operations. The low-income credit union is referred to as "The Host" and the partner credit union is referred to as "The Partner." There is no requirement that the applicant credit union has a partner or that the partner credit union be low-income designated.

Grant funds are awarded to the low-income designated credit union.

JOB CREATION

The American Recovery and Reinvestment Act of 2009 (Recovery Act) was signed into law by President Obama in February 2009. It is an effort to jumpstart our economy by creating or save millions of jobs, through educational opportunities. With monies from the CDRLF, credit unions may help to increase employment in their communities.

Technical assistance under this initiative may be used to help credit unions recruit and train individuals who are dislocated, displaced, unemployed, or seeking full-time employment. As with the Student Internship portion of this initiative, on-the-job training, mentoring, and developing human capital are the key benefits of this initiative.

Who is eligible to participate?

To participate in the program, the individual should be unemployed, dislocated, displaced, or seeking full-time employment.

5. How much money is available?

The amount allocated to the initiative is \$200,000. The maximum grant amount is \$5,000.

Credit unions may apply for up to \$5,000.

How is payment calculated?

Awards are calculated and pro-rated based on an 8-hour work day, over a period of approximately 86 business days.

Reimbursement is made at a rate of \$7.25¹ per hour worked by the intern or trainee, for a maximum of \$5,000.

The award will be pro-rated based on the number of days/hours actually worked.

It is important that credit unions complete the following forms when requesting reimbursement:

- Student Intern/Trainee Application and Agreement Form
- Certification of Business Days Worked Form
- Host Evaluation Form and
- Student Certification from School

6. What are allowable uses of technical assistance funds?

This initiative is structured as a stipend. Technical assistance funds are to be used by the credit union to defray the costs of the internship or on-the-job training. Costs may include items such as training and development, transportation between credit unions, supplies, training materials, and photocopies.

Technical assistance funds are paid directly to the credit union as an offset the cost of recruiting, hiring, and retaining a student or trainee. Salaries to employees are not reimbursable under any CDRLF initiative. Generally, an individual is considered an employee if the credit union withholds income taxes, withholds and pays Social Security and Medicare taxes, and pays unemployment tax on wages paid.

7. How does the grant payment process work?

- First, credit unions must apply for a grant before making any expenditure. Credit unions may apply for the grant before identifying a student intern.
- After receiving a grant approval letter, the credit union may enlist the services of the student intern and spend the funds, up to the amount approved.

¹ Based on the U.S. Department of Labor Federal Minimum Wage as of January 2011.

- At the conclusion of the internship, the credit union must then submit copies of the Certification of Business Days Worked form to NCUA for reimbursement. Credit unions should submit all forms for a single grant commitment number to OSCUI at one time.
- NCUA will review the receipts and process electronic reimbursement for approved expenditures.
- All requests for reimbursement must be received before the end of the commitment period listed in the grant award letter.
- OSCUI will not process incomplete applications. Credit unions may resubmit a grant application, provided the submission deadline has not passed and grant monies have not expired.
- Credit unions must also send a summary of the grant outcome to OSCUI. Credit unions failing to submit the summary may be ineligible for future grants.

8. How are grant applications evaluated?

Subject to funds availability, grants are awarded after careful consideration of the merits of an application. Grant applications will be considered based on the financial and non-financial factors listed below, as appropriate.

Financial factors include, but are not necessarily limited to, the following:

NCUA CAMEL* Rating
Net Worth Ratio
Delinquency Ratio
Return on Assets Ratio.

Financial factors are used to determine the overall financial condition of the credit union and its ability to carry out the project as described in the grant application.

Non-Financial factors include the following:

Assessment of Management is a determination of whether credit union management has been responsive in addressing concerns cited in examination reports and whether management has the ability to carry out the project described in the grant application.

Purpose is a determination of whether the outcome of the project, as described in the grant application, is consistent with the purpose of the CDRLF as described in Section 705.10 of the NCUA's Rules and Regulations. The purpose would be: (1)

* CAMEL ratings are explained in NCUA Letter to Credit Unions No. 07-CU-12. Financial ratios are explained in the Users' Guide for NCUA's Financial Performance Report. Both documents are available on the NCUA website at <http://www.ncua.gov>.

providing basic financial and related services to residents in their communities; and (2) improving the operations of the credit union. OSCUI will deny grant applications in which the purpose of the grant is inconsistent with the purpose of the CDRLF.

Assessment of Impact is a determination of the scope and reach of the proposed use of the grant funds. Grant applications with projects having an impact on the community as whole will receive more favorable consideration.

Previous Funding is a determination of whether the credit union has received previous CDRLF grant funding. Section 705.2(b) of NCUA's Rules and Regulations states that the purpose of the CDRLF is to gain maximum economic impact on as many participating credit unions as possible. Therefore, credit unions which have NOT received funding in the past will receive priority consideration.

Partnerships is a determination of whether the credit union has developed other partner relationships and has considered other sources of grant funds. Under this grant initiative, a credit union with a viable partner relationship will receive more favorable consideration.

Leverage is a determination of the degree to which the credit union has acquired resources other than NCUA grants. Leverage measures the total cost of the project compared with the total grant dollars requested from NCUA. If, for example, a project costs \$5,000 and the credit union requests \$5,000 from NCUA, that project's leverage ratio is 1-to-1. If, for example, a project costs \$20,000 and the credit union requests a \$5,000 grant from NCUA, that project has a 4-to-1 leverage ratio. Projects with a higher leverage ratio will receive more favorable consideration.

9. Is there anything that would cause an application to be immediately denied?

Yes.

(a) Grants from the CDRLF are reimbursable grants. Credit unions applying for TAGs must obtain approval of the proposed expenditures before making those expenditures. Therefore, the OSCUI will not fund any grant where the credit union has committed to, procured, or purchased the good or service in advance of grant approval.

(b) TAG funds are not provided for recurring operational expenses such as salaries, rent, maintenance agreements, annual audits, funding for the allowance for loan losses, or office supplies.

Salaries to employees are not reimbursable under any CDRLF grant initiative. An individual is considered an employee if the credit union withholds income taxes, withholds and pays Social Security and Medicare taxes, and pays unemployment tax on wages paid.

Expenses for contractors invoiced to and paid by the credit union may be reimbursable under certain grant initiatives. In general, the credit union would not withhold or pay any taxes on payments to independent contractors.

(c) Credit unions may not use TAG funds to provide funds to members, such as funding the matching portion of an Individual Development Account (IDA) program or providing gift cards to members.

(d) Credit unions failing to submit summaries for grants previously awarded may be ineligible to receive additional grant funds.

(e) TAG funds may not be used to reimburse NCUA, or any government agency, for any activity.

10. Are there restrictions or limits on which items will be reimbursed?

Yes. The following restrictions apply to reimbursements under CDRLF grant initiatives. The list highlights the more common requested non-reimbursable expenses.

Equipment Purchase and Installation:

Annual maintenance fees and insurance costs are not reimbursable.

Marketing:

Marketing and advertising for the general promotion of the credit union will not be reimbursed.

Mileage:

Reimbursement requests for mileage must include receipts and the starting point, the destination, and the number of trips. Mileage is reimbursable at a rate not to exceed the current IRS standard mileage rate per mile.

Postage:

To be reimbursed, the credit union must supply receipts and supporting documentation, such as the number of mailings.

Printing/Copying:

To be reimbursed, the credit union must supply receipts and supporting documentation, such as the number of copies made.

Promotional Items:

Promotional items such as gifts, giveaways, souvenirs, or gift cards are not reimbursable.

Regular Expenses/Pro-Rated Expenses:

Regular expenses of the credit union, such as rent, utilities, and depreciation are not reimbursable under this grant initiative. "Pro-rated" expenses of the credit union, such as a portion of telephone or utility costs, are not reimbursable. These expenses are considered regular operating expenses.

Salaries/Contractors:

Salaries to employees are not reimbursable under any CDRLF grant initiative. An individual is considered an employee if the credit union withholds income taxes, withholds and pays Social Security and Medicare taxes, and pays unemployment tax on wages paid. In general, the credit union would not withhold or pay any taxes on payments to independent contractors.

Travel/Lodging/Meals

Travel expenses, such as airfare for an on-site trainer, will be reimbursed at the lesser of actual costs or the US government General Services Administration (GSA) current year per diem rate. Travel expenses, such as hotel, food, and transportation (i.e. rental car or taxi) are typically non reimbursable expenses.

Undocumented Expenses:

To be reimbursed, credit unions must submit invoices with proof of payments that correspond to the items listed in the grant award letter. Examples of acceptable proof of payments include, but not limited to: copy of cancelled checks, credit card statements, or receipts. Requests for reimbursement that do not contain adequate documentation will not be reimbursed.

Partnership/Third Party/Vendor Relationship and Expenses:

Credit unions are required to follow the due diligence over Third party Service Provides as directed by NCUA Letter to Credit Unions 01-CU-20 and must submit a written agreement detailing the services/products with cost involved. Contractor fees that are not substantiated in writing in a partnership/contractor's agreement will not be reimbursed.

Invoices from outside parties must be billed to and paid by the credit union. Reimbursements will be made to credit unions only.

11. What are the application deadlines?

Application Close Date: December 31, 2011 or when funds are exhausted.

12. What information needs to be submitted with the grant application?

Credit unions must submit a completed Technical Assistance Grant Application either online or by paper. The application must include the signed application form, answers to all questions in the application, and copies of bids, estimates, prices, and other supporting information. The application or project questionnaire (online version) contains several questions regarding the proposed use of the technical assistance funds, which the credit union should answer in detail.

Incomplete grant applications will not be considered. Credit unions may resubmit a completed application provided the application acceptance period is still open, and funds are not exhausted.

13. How to submit an application?

To expedite the process and help NCUA's initiative to stay green, credit unions should apply through the NCUA's website online application at:

<http://www.ncua.gov/Resources/CreditUnionDevelopment/Finance.aspx>

All copies of bids, estimates, prices, and other supporting information along with your signed application need to be:

Emailed to: oscuiapps@ncua.gov or
Faxed to: (703) 519-4088.

Credit unions that are unable to fax or email applications should telephone the Office at (703) 518-6610.

14. When will credit unions know about grant awards?

Applications under this initiative are evaluated in the order they are received. Typically, OSCUI will notify credit union applicants of the grant awards within 15 business days of receiving their application.

15. What is the reporting requirement after receiving an award?

Credit unions receiving awards must provide a summary of the impact of the technical assistance funding to OSCUI as stated in the technical assistance application form. The time frame for submitting the summary will be stated in the award letter. The submission deadline allows reasonable time for the credit union to ascertain the benefits of the technical assistance.

The summary should discuss the overall project and how the funding enabled the credit union to accomplish its objective. Credit unions' success stories provide invaluable supporting information when OSCUI requests annual appropriations from Congress to replenish the grant and loan fund. Credit unions must specify the impact the grant funds have had on the credit union's delivery of service and the consequences upon the community the credit union serves.

Checklist for submission (Application and Reimbursement Requests):

- NCUA Technical Assistance *Application*. *Using the online application module would expedite the process and support NCUA's green initiative.*
- Narrative response to application questions. In addition, any supporting information needed to explain how the program would be developed and implemented.
- Projected budget (expenses) needed to operate program. Submit supporting documentation such as bids, proposals etc.
- **Grant Reimbursement Summary Form** - Expenditure Report (submit w/reimbursement).
- **Outcome Summary Form** with Narrative Justification of Expenses (submit w/reimbursement). This form is not necessary for this initiative.
- Copies of Receipts, Invoices, Credit Card Statements and/or Cancelled Checks (submit w/reimbursement).
- Completed SF1199 (Direct Deposit Authorization Form). Required only if not submitted previously or if the banking information changed.

In addition, following documents/forms are required for this initiative:

- **Student Internship/Trainee Application and Agreement Form.**
- Letter or form from college or university indicating that student is enrolled at least part-time, or letter from the trainee stating that he or she is unemployed, dislocated, displaced, or seeking full-time employment.
- **Host Credit Union Evaluation** - (submit w/reimbursement).
- **Student/Trainee Evaluation** - (submit w/reimbursement).
- **Certification of Business Days Worked Form** - (submit w/reimbursement).

Failure to submit accurately completed applications and supporting documentation may impact the decision on your application and/or reimbursement.

Email your forms and supporting information to:

oscuiapps@ncua.gov

Fax your Outcome Summary and supporting information to:

703-519-4088

Failure to submit outcome summary will have an impact on the credit union's ability to receive grants in the future.

16. How can credit unions contact the office with questions?

Credit unions can contact the office at

Office of Small Credit Union Initiatives
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

Phone: (703) 518-6610
Fax: (703) 519-4088
Email: oscuiapps@ncua.gov

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

Host Evaluation Form Student Internship & Job Creation Initiative – 2011

1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CREDIT UNION CHARTER NUMBER	
5. COMMITMENT NUMBER	

1. Describe the primary functions performed by the student intern/trainee?

2. Primary purpose of the student intern/trainee: (select only one)

☐ Providing financial services to members

☐ Improving the credit union's operations and/or financial condition

3. Total cost of the student intern/trainee—including grant awards from NCUA, the credit union's own monies, grants from other partners, and all other funds provided to pay for the student intern/trainee:

NCUA grant: \$ _____

Other funds: \$ _____

Total Cost of
Student Intern/Trainee: \$ _____

4. On a separate sheet, describe how the technical assistance funds benefitted the credit union, its members, or the community. Your credit union's success stories provide invaluable supporting information when we request annual appropriations from Congress to replenish the grant and loan fund.

Fax: (703) 519-4088

E-Mail: OSCUIAPPS@NCUA.GOV

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

Student Evaluation Form Student Internship & Job Creation Initiative – 2011
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1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CREDIT UNION CHARTER NUMBER	
5. COMMITMENT NUMBER	

1. Describe the primary functions performed as a student intern/trainee?

2. Describe how this internship/training benefitted you?

Student/Intern Signature: _____

Date: _____

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

Certification of Business Days Worked Form-2011
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1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. GRANT COMMITMENT NUMBER	
5. STUDENT NAME	
6. NAME AND TITLE OF AUTHORIZED INDIVIDUAL	
7. SIGNATURE	
8. DATE	

I certify that the student intern/trainee worked at the credit union(s) for

_____ **weeks,**

_____ **days per week, and**

_____ **hours per day**

for a total of _____ hours (not to exceed 690, or \$5000.00).

Please reimburse the low-income designated Host credit union for costs associated with training the intern based on the total business days worked.*

Fax: (703) 519-4088

E-Mail: OSCUIAPPS@NCUA.GOV

* See the heading "How is reimbursement calculated?" in the Guidelines.